

09/21/2005

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1 you know, if you're taking the truck off road
2 for the majority of the time.

3 I think there's a different
4 warranty for that.

5 Q. Right. I'm not talking, I'm talking isn't
6 there an expectation that an on-road truck may
7 occasionally go off road and that shouldn't
8 destroy the engine, correct?

9 A. Yeah. Yeah. Like you said, you're
10 driving in your field tanker and you go off
11 road to deliver right where you're delivering
12 at.

13 Q. Yeah.

14 A. No, that should not have an adverse
15 effect.

16 Q. Are trucks of the type used by Trans-Spec
17 custom designed?

18 MR. GRUNERT: Object to the form.

19 THE WITNESS: I don't know. I
20 don't know all of Sterling's product line, and
21 if that's considered custom or if that's
22 standard.

23 BY MR. SAMITO:

EXHIBIT

tabbles

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<p style="text-align: right;">Page 170</p> <p>1 Q. What's the fix for the problem?</p> <p>2 MR. GRUNERT: Same objection.</p> <p>3 BY MR. SAMITO:</p> <p>4 Q. Does Caterpillar have a fix for the</p> <p>5 problem?</p> <p>6 MR. GRUNERT: Object to the form.</p> <p>7 Truck Services' problem?</p> <p>8 MR. SAMITO: For the problems</p> <p>9 with the flywheel houses.</p> <p>10 MR. GRUNERT: Well, I object to</p> <p>11 the form. You have not established that there</p> <p>12 is a problem with the flywheel housings.</p> <p>13 BY MR. SAMITO:</p> <p>14 Q. Why was the 6SIGMA team formed?</p> <p>15 A. To investigate complaints on the flywheel</p> <p>16 housings.</p> <p>17 Q. Is the 6SIGMA team formed for every time</p> <p>18 there's a complaint on any engine part?</p> <p>19 A. Lots of times it is.</p> <p>20 Q. So if a single complaint comes in a 6SIGMA</p> <p>21 team will be formed?</p> <p>22 A. Not a single complaint.</p> <p>23 Q. How, what triggers it? What is your</p>	<p style="text-align: right;">Page 172</p> <p>1 BY MR. SAMITO:</p> <p>2 Q. What was the fix for the trucks that were</p> <p>3 having problems or failures with the flywheel</p> <p>4 housings and the flywheel housing bolts?</p> <p>5 A. Say again.</p> <p>6 MR. GRUNERT: In addition to the</p> <p>7 ones he's told you about? The Oshkosh ones?</p> <p>8 MR. SAMITO: In general. In</p> <p>9 general. All, all, all of the, all of the</p> <p>10 trucks that the 6SIGMA team looked at.</p> <p>11 Mr. Bowes testified that he, the</p> <p>12 6SIGMA team didn't come up with a fix for</p> <p>13 Trans-Spec's problems and broadened out to look</p> <p>14 at other flywheel housing failures and flywheel</p> <p>15 house bolt failures, and what I'm asking is,</p> <p>16 what was its conclusion, what was the fix for</p> <p>17 C12 flywheel housing and flywheel house bolt</p> <p>18 failures.</p> <p>19 MR. GRUNERT: The problem with</p> <p>20 the question is that it is assuming that there</p> <p>21 are repetitive C12 flywheel housing failures on</p> <p>22 trucks other than Truck Service's trucks.</p> <p>23 That is to say that there is a</p>
<p style="text-align: right;">Page 171</p> <p>1 cutoff?</p> <p>2 A. Three failures.</p> <p>3 Q. Three failures? And in this case how many</p> <p>4 failures before the 6SIGMA team was triggered?</p> <p>5 A. At the time that we formed the team there</p> <p>6 was probably a hundred failures.</p> <p>7 Q. Did the 6SIGMA team focus just on</p> <p>8 Trans-Spec's trucks or on C12 flywheels in</p> <p>9 general?</p> <p>10 A. We --</p> <p>11 Q. Or were there two teams?</p> <p>12 A. No. We started the team based on</p> <p>13 Trans-Spec's complaints and then we broadened</p> <p>14 it to see if there was a bigger problem.</p> <p>15 Q. So when you first looked at Trans-Spec's</p> <p>16 problems, what was the permanent fix for</p> <p>17 Trans-Spec's problems?</p> <p>18 A. We could not find the root cause.</p> <p>19 Q. How about for the broader, when you</p> <p>20 broadened out what was the permanent fix that</p> <p>21 the team came up with?</p> <p>22 MR. GRUNERT: Object to the form.</p> <p>23 There was no need for a permanent fix.</p>	<p style="text-align: right;">Page 173</p> <p>1 problem that needs to be fixed.</p> <p>2 MR. SAMITO: It's not assuming</p> <p>3 that. It's saying in general what did the</p> <p>4 6SIGMA team find as its final conclusion.</p> <p>5 What did it say should be done to</p> <p>6 prevent further problems, whether it's a</p> <p>7 flywheel house that was perfectly fine or</p> <p>8 whether it's one that has had multiple</p> <p>9 failures; what was the final solution.</p> <p>10 MR. GRUNERT: Again, I object to</p> <p>11 the form. The question is unanswerable in that</p> <p>12 form.</p> <p>13 But if you, if you understand</p> <p>14 what he's asking and if you can formulate an</p> <p>15 answer to that question, go ahead and do so.</p> <p>16 THE WITNESS: The team looked at</p> <p>17 the failures across, you know, all of our</p> <p>18 110,000 engines and our approach was to look</p> <p>19 at, narrow it down to particular OEM's as</p> <p>20 having a problem worse than others.</p> <p>21 So the focus of our</p> <p>22 investigation, not having unlimited resources,</p> <p>23 was to look at that particular OEM and try to</p>

Richard E. Bowes

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1 understand why they were having these failures.

2 And the investigation was ongoing
3 when litigation came in and we were halted in
4 doing so.

5 BY MR. SAMITO:

6 Q. What OEMs were having problems?

7 A. Sterling was having a failure rate higher
8 than the rest of the OEMs as well as Oshkosh
9 for the earlier, earlier description that I
10 talked about.

11 Q. What about other OEMs?

12 A. Other OEMs had failures, but not nearly to
13 the extent that Sterling did.

14 Q. Did Freight Liner have failures?

15 A. Yes.

16 Q. Did International have failures?

17 A. Yes.

18 Q. Did Kenworth have failures?

19 A. Yes.

20 Q. Did Peterbilt have failures?

21 A. Yes.

22 Q. Was it the same problem across the board?

23 In other words, were the failures in all the

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1 different OEMs being caused by the same
2 problem?

3 A. I don't know that. We did not investigate
4 each of the OEMs.

5 Q. What, what was causing the failures?

6 A. I don't know.

7 Q. Has the team ever found a root cause?

8 A. The team that was looking at this
9 particular issue did not, but as I mentioned
10 before in prior instances we had determined.

11 Q. How about with the Sterling's? Was there
12 a root cause with Sterling's?

13 A. I don't know what the root cause is.

14 MR. SAMITO: You want to go off
15 the record for a second?

16 (Discussion off the record.)

17 THE WITNESS: Okay.

18 (Exhibit No. 15 marked for
19 identification.)

20 BY MR. SAMITO:

21 Q. Exhibit 15 is Bates number S001370. It's
22 an e-mail from Brad Boden dated November 24th,
23 2003.

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1 Q. What if, what if they were still within
2 warranty and correct, in 500,000 miles or five
3 years would flywheel houses and flywheel house
4 bolt failures been something covered under that
5 warranty?

6 A. The extended service?

7 Q. Yeah. The extended service coverage.
8 Five years, 500,000 miles.

9 A. Yeah. I think the, it does cover the
10 flywheel houses. ESC coverage.

11 Q. So you just assumed that it was past, it
12 was outside of that ESC coverage, the five
13 years, 500,000 miles, which is why Trans-Spec
14 was buying these with their own money?

15 A. Yeah. I don't know if that's what I
16 thought at that time or not. I'm just reading
17 it now that I could have, I could have thought
18 that.

19 Q. And in the second paragraph there it
20 mentions the idea of seeing about a, it implies
21 some sort of deal with Sterling, right?

22 Some kind of restitution for the
23 repairs from Sterling to Trans-Spec and hoping

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1 authority to call these parts back under the
2 standard warranty parts return system.

3 Did it help you remember if you
4 learned anything regarding Caterpillar not
5 reimbursing Trans-Spec for flywheel house or
6 flywheel house bolt failures?

7 A. All, I think, yeah. At the time we read
8 that it was out of warranty so it was, repairs
9 were being done at the customer's expense.

10 Q. You thought this time that they were out
11 of warranty?

12 A. I could have easily read it that way. I
13 guess I don't know if I knew at the time.

14 Q. Is this the type of thing that you assumed
15 would have been covered by warranty?

16 A. Well, we knew the engines were a little
17 bit older engines and, you know, when this went
18 out in 2004 they would have been four or five
19 years old.

20 Standard warranty is two years.

21 So I guess I would imply by reading that that
22 they were just out of warranty and that's why
23 he had to pay for them on his own.

CATERPILLAR**ON-HIGHWAY VEHICLES****ON-HIGHWAY VEHICLE ENGINE EXTENDED SERVICE COVERAGE**

Registration Certificate For Units Operating In The U.S.A. And Canada
 For Mid-Range and Heavy Duty On-Highway Truck, School Bus, Recreational Vehicle,
 Fire Truck or Crash Rescue Engine Applications
 (Program Effective Date May 1, 1998)

PRESS HARD
YOU ARE MAKING 3 COPIES

CUSTOMER NAME

T. H. O. I. C. E. I. S. A. V. I. C. E. I. I. I. I. I.

SELLING DEALER NAME

M. I. N. I. S. T. R. I. A. N. I. I. I. I. I.

SELLING**DEALER CODE**

A. T. 3. M. I.

MAILING ADDRESS

7. C. R. I. S. T. O. L. A. N. E. I. I. I. I. I.

SELLING DEALER ADDRESS

2. C. R. I. S. T. O. L. A. N. E. I. I. I. I. I.

CITY

M. I. L. L. I. B. U. R. Y. I. I. I. I. I.

CITY

M. A. L. P. O. L. E. I. I. I. I. I.

STATE/PROVINCE

M. A. I.

ZIP/POSTAL CODE

0. 1. 1. 5. 1. 2. 7. I. I. I. I.

STATE/PROVINCE

M. A. I.

ZIP/POSTAL CODE

0. 1. 3. 0. 8. 1. I. I. I. I.

PHONE NUMBER

5. 0. 3. - 7. 1. 9. 1. - 9. 5. 1. 2. 1. I.

CAT DEALER NAME

S. I. C. I. N. T. H. A. N. I. C. I. R. T. H. I. I. I. I.

CAT DLR CODE

0. 1. 9. 3. 0. I.

TYPE OF REGISTRATION

New Registration ☒
 Transfer Ownership ☐
 Upgrade Coverage ☐
 Warranty Replacement Engine ☐

Replacement Engine S/N I. I. I. I. I. I. I.

APPLICATION

On-Highway Truck ☒
 School Bus ☐
 Recreational Vehicle ☐
 Fire Truck ☐
 Crash Rescue ☐
 Other ☐

Start
 Miles (km)

66

Delivery MM/DD/YYYY

Date 01/15/2000

Transfer
 Miles (km):

UNIT # 9800

Transfer MM/DD/YYYY

Date I. I.

Engine S/N 2. K. S. 2. 7. 7. 9. 1.

Engine Model G. 1. 1. 2.

HP 3. 8. 0.

VIN I. I. I. I. I. I. F. 5. 7. 1. 7. 7.

Vehicle Make 3. T. E. 2. 2. 1. 0. 1. 9. I. I. I. I. I.

Vehicle Model I. I. I. I. I. 4. T. 9. 5. 0. 0.

CALD024

EXHIBIT NO. 2A

J. LYONS 8/31/05

COVERAGE (Reference On-Highway Vehicle Engine Price Matrix for Model/Coverage Availability)

ESC I ☐ With Brakesaver add \$250 ☐
 ESC II ☐
 ESC Plus ☒
 ESC II MIDRANGE ☐

SEE ATTACHED MULTI-UNIT
 REGISTRATION FORMS

Coverage Months 60 Coverage Miles 300,000 Coverage Hours Deductible - 0 -

COVERAGE FEES

ESC FEE \$1150 -
 BRAKESAVER FEE \$
 ADMIN. FEE \$
 LATE FEE \$
 TOTAL FEE \$1150 -

IMPORTANT!!

Please ensure you are using the latest version of the On-Highway Vehicle
 Engine Price Matrix.

TCCI 43729

EXHIBIT

E

I hereby certify that I have read and understand the terms and conditions checked above, and as
 specified on the back of this Registration Certificate.

Customer Signature

Date 2/12/00

I hereby certify that the engine serial number indicated
 coverage as specified on this Registration Certificate and have read and understand
 the dealer's responsibilities as specified on the back of this Registration
 Certificate.

Authorized Dealer Representative

Date 2/12/00

PRODUCTION

Caterpillar's Extended Service Coverage for On-Highway Vehicle Engine Service Contract, herein referred to as "service contract", for new vehicles powered with Caterpillar engines is an important part of Caterpillar's continuing effort to provide Caterpillar Vehicle Engine Owners with superior value and product support. This service contract provides the Owner assurance of unexpected repair costs for covered component failures due to defects in materials or workmanship under normal use.

TERMS AND CONDITIONS

This service contract is available for new vehicles powered with Caterpillar Mid-Range and Heavy Duty On-Highway Vehicle engines, herein referred to as "new vehicle(s)". This service contract is only available for use within the continental boundaries of the United States and Canada.

The Owner should purchase this service contract on the original delivery date of the new vehicle at a Caterpillar authorized dealer, herein referred to as "authorized dealer". The applicable start mileage and date must be recorded on this Service Contract.

This service contract runs concurrently with the Caterpillar On-Highway Vehicle Engine Warranty and provides full component coverage for covered components failures due to defects in Caterpillar materials or workmanship under normal use. The duration of this contract will occur when the time or mileage from the original delivery date exceeds the coverages as specified on this Service Contract.

Components listed below are covered under these programs except the applicable exclusions listed under Section VI, Exclusions & Limitations:

MID-RANGE EXTENDED SERVICE COVERAGE (ESC II)

Mid-Range is available in two different deductibles:

1. Caterpillar will pay 100% of the components and labor charges for covered failures, with no deductible charges.

2. Caterpillar will pay 100% of the components and labor charges for covered failures, less a \$500 deductible charge per visit.

Components covered under the Mid-Range ESC II: exhaust manifolds, studs, & gaskets, inlet air heater & air filter, cylinder head casting, exhaust/injector sleeves, cylinder head bolts, cylinder head gaskets, freeze plug, exhaust valves, valve spring, insert guide, rotocoil, & retainer, valve mechanism (including rocker arm, brackets, bridges, adjusting screws, nuts, shaft, & push tubes), valve cover & base, camshaft, camshaft bearings, camshaft lifter (follower) clips, front covers & plates, front cover gaskets, front cover gears and power steering gear, flywheel housing gasket, cylinder block casting, freeze plug, crankshaft, crankshaft - rod, main, & thrust bearings, connecting rod assembly & bushing, piston (wrist pin, retainer clip, & piston rings), oil jet tube, main bearing cap bolt, tubes (3126), fuel injection pump & governor, fuel injection pump mounting seal, fuel ratio control, fuel lines, timing control rack (3116), oil pan, oil pump, oil cooler housing, oil cooler core, oil filter base, HEUI high pressure oil lines, & injector actuation pressure control valve, thermostat housing cover, water pump housing, water manifold, control module (ECM), sensors (boost pressure, atmospheric intake manifold air temp, oil pressure, coolant temperature, rack & timing, throttle position, engine speed, & rack position), throttle position/pedal sensor, speed timing sensor.

HEAVY-DUTY EXTENDED SERVICE COVERAGE (ESC I)

Caterpillar will pay 100% of the components and labor charges for covered failures, with no deductible charges.

Components covered under the Heavy-Duty ESC I: intake manifolds, cylinder head casting, exhaust/injector sleeves, cylinder head bolts, cylinder head gaskets, freeze plug, spacer plate (block & head), intake & exhaust valves, valve spring, insert guide, rotocoil, & retainer, valve mechanism (including rocker arm, brackets, bridges, adjusting screws, nuts, shaft, & push tubes), camshaft, camshaft bearings, camshaft lifter assembly (including follower clips), front covers & plates, front cover gaskets, front cover gears & power steering gear, flywheel housing gasket, cylinder block casting, spacer block (3176), freeze plug, crankshaft casting, crankshaft - rod, main, & thrust bearings, connecting rod assembly & bushing, piston (wrist pin, retainer clip, & piston rings), oil jet tube, cylinder liner, main bearing cap bolt, fuel injection pump mounting seal, timing gears, oil pump, thermostat housing cover, water pump housing, control module (ECM).

HEAVY-DUTY EXTENDED SERVICE COVERAGE (ESC II)

Components listed under Heavy-Duty Extended Service Coverage I are covered plus the following:

Intake manifold studs and gaskets, inlet air heater relay, valve cover and base, fuel injection pumps and governor, fuel ratio control, timing advance, oil pan, oil cooler core, oil filter base, water manifold, and shut-off solenoid.

HEAVY-DUTY EXTENDED SERVICE COVERAGE (ESC Plus)

Caterpillar will pay 100% of the components and labor charges for covered failures, with no deductible charges.

Components listed under Heavy-Duty Extended Service Coverage I and Heavy-Duty Extended Service Coverage II are covered plus the following: control module (ECM), vibration damper, road speed buffer, sensors (boost pressure, atmospheric intake manifold air temp, oil pressure, coolant temperature, rack & timing, fuel temperature, engine speed, & rack position), throttle position sensor, speed timing sensor.

The duration of this Service Contract will occur when the time, miles, or hours, whichever occurs first, from the original delivery date exceeds the coverage limits as specified on this Registration Certificate.

CATERPILLAR'S RESPONSIBILITIES

Caterpillar, during normal working hours at a place of business of an authorized dealer, will pay 100% of the components and labor charges, up to the applicable deductible, for the repair of covered component failures during the coverage period when the failure is due to defects in materials or workmanship under normal use.

Caterpillar will provide (at Caterpillar's choice) either new, remanufactured or repaired components when replacing or repairing components which fail due to defects in materials or workmanship under normal use. Further, Caterpillar will also provide the labor charges for any engine component which is rendered unserviceable by the failure of a covered component.

Caterpillar will restore the engine to its operating condition prior to failure by repairing/replacing only the defective components and related damaged components necessary to remove/repair/replace the defective components. Other parts removed in the repair will be reinstalled as is, unless the Owner authorizes the additional expense to repair or replace.

Caterpillar will also pay the reasonable costs of any expendables or consumables, including but not limited to, lube oil, filter, belts, hoses, and seals which are made available as a result of the repair.

OWNER'S RESPONSIBILITIES

The Owner shall operate and maintain the engine according to the instructions and recommendations provided in the Caterpillar Operation and Maintenance Manual. The Owner shall also maintain the engine in accordance with the instructions and recommendations provided in the Caterpillar Operation and Maintenance Manual. The Owner shall also maintain the engine in accordance with the instructions and recommendations provided in the Caterpillar Operation and Maintenance Manual.

In the event of a covered component failure, the Owner shall provide proof of this service contract registration by presenting the Registration Certificate to the authorized dealer. The Owner is responsible for all costs not covered by this service contract as specified in Section VI, Exclusions and Limitations.

EXCLUSIONS & LIMITATIONS

This service contract does not cover component failures caused by:

- dealer workmanship on subsequent repairs and dealer workmanship on repairs made to non-covered components.
- non-covered components (including bolts, clamps, and other fasteners that attach non-covered components to the engine).
- operator abuse, neglect, improper operation or accident.
- non-Caterpillar attachments, accessories and parts (any engine part that is not identified by a Caterpillar part number), including but not limited to: engine compression and exhaust valves, fuel injectors, air conditioning compressors, clutches, filters, transmissions, torque converters, steering pumps, brake lines and calipers.
- an application or installation not approved by Caterpillar.
- normal wear out, including but not limited to oil consumption, chemical/mechanical erosion and/or leaking seals or gaskets.
- unauthorized repairs or adjustments, including but not limited to: improper fuel setting and valve lash adjustments.
- repairs or alterations made by an unauthorized dealer.
- brakesaver unless specified as option on contract.
- fuel transfer pump, fuel priming pump, unit injectors and fuel nozzles, thermostat, starter, alternators, turbochargers, air compressor, electronic connectors and wiring.
- steel shims and cast iron block inserts.
- acts of God, war, vandalism, riot, theft, explosion, and any other act of nature or man.
- failure to follow maintenance procedures and scheduled component inspections/replacements as specified in the Caterpillar Vehicle Engine Operation and Maintenance Management Guide.

This service contract also does not pay for:

- normal preventative maintenance and scheduled component inspections/replacements as defined in the Caterpillar Vehicle Engine Operation and Maintenance Management Guide, including but not limited to valve lash adjustments, inspections, Scheduled Oil Sampling and maintenance items such as lube oils, filters, belts and hoses.
- performance complaints, including but not limited to, any adjustments to fuel settings, PAR tests, or programming of the Electronic Control Module.
- reimbursement for any travel or towing, or overnight lodging or meals or communications expenses and any other downtime or downtime-related expenses cargo damage or economic loss.
- any and all taxes.
- parts shipping charges.

VII. TRANSFER OF COVERAGE

The remaining coverage of this service contract may be transferred to subsequent owners during the coverage period at no extra charge, provided the new owner of the vehicle presents a copy of the current Registration Certificate to an authorized dealer within ten (10) days of the transfer of the vehicle title. Remaining coverage cannot be transferred from a covered engine to a non-covered engine.

VIII. REFUNDS

Any and all service contract fees are non-refundable.

IX. DISCLAIMERS

CATERPILLAR'S RESPONSIBILITIES UNDER THIS SERVICE CONTRACT ARE LIMITED TO THE PROVISION OF MATERIALS AND LABOR AS SPECIFIED HEREIN.

CATERPILLAR DISCLAIMS ANY EXPRESS OR IMPLIED WARRANTIES IN CONNECTION HERewith, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

REMEDIES UNDER THIS SERVICE CONTRACT ARE LIMITED TO THE PROVISION OF MATERIALS AND LABOR AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

REPLACEMENT PARTS FURNISHED UNDER THE TERMS OF THIS SERVICE CONTRACT ARE COVERED UNDER THE APPLICABLE REPLACEMENT PARTS WARRANTY.

THIS SERVICE CONTRACT DOES NOT SUPERSEDE THE EMISSION WARRANTY FOR EMISSION-RELATED COMPONENTS.

MISREPRESENTATION OF THE ENGINE'S ELIGIBILITY FOR COVERAGE, OR THE ACTUAL ACCUMULATED MILEAGE, HOURS, OR AGE SHALL RESULT IN CANCELLATION OF THIS SERVICE CONTRACT BY CATERPILLAR WITH NO REFUND. CATERPILLAR SHALL BE ENTITLED TO ALL OTHER REMEDIES.

Caterpillar On-Highway Vehicle Engine Extended Service Coverage Registration Form For Multiple Unit Registrations

e 2-7-00:1# 43729

| Model | Engine SN | Vehicle ID | Unit | Exp. Date | Start Miles |
|-------|-----------|------------|------|-----------|-------------|
| C-12 | 2KS27780 | F57160 | 6000 | 01-15-00 | 156 |
| | 2KS27897 | F57163 | 6100 | 12-08-99 | 66 |
| | 2KS27878 | F57162 | 6200 | 01-15-00 | 70 |
| | 2KS27936 | F57181 | 6300 | 01-15-00 | 156 |
| | 2KS27904 | F57165 | 6700 | 12-08-99 | 1500 |
| | 2KS27955 | F57170 | 6800 | 01-15-00 | 1700 |
| | 2KS28378 | F57179 | 6900 | 01-15-00 | 150 |
| | 2KS27844 | F57180 | 7100 | 01-15-00 | 60 |
| | 2KS27905 | F57174 | 7400 | 01-15-00 | 72 |
| | 2KS27997 | F57168 | 7500 | 01-15-00 | 61 |
| | 2KS27877 | F57161 | 7600 | 12-08-99 | 66 |
| | 2KS28368 | F57175 | 7700 | 01-15-00 | 80 |
| | 2KS27861 | F57171 | 7800 | 01-15-00 | 1512 |
| | 2KS27956 | F57169 | 7900 | 01-15-00 | 1543 |
| | 2KS27857 | F57172 | 8000 | 01-15-00 | 1680 |
| | 2KS28276 | F57167 | 8100 | 01-15-00 | 1987 |
| | 2KS27979 | F57173 | 8300 | 01-15-00 | 67 |
| | 2KS27953 | F57178 | 8400 | 01-15-00 | 66 |
| | 2KS27931 | F57166 | 8600 | 12-08-99 | 71 |
| | 2KS27893 | F57164 | 8500 | 01-15-00 | 69 |
| | 2KS27855 | F57176 | 8700 | 01-15-00 | |

This form is to be used as an addendum to On-Highway Vehicle Registration Certificate (LELT6573) which identifies specific terms, conditions, and component coverages.

LELT6573-01

Clarissa Colmer

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1 group in the engine division only.

2 Q. Okay. And you replaced Mr. Warner?

3 A. Correct.

4 Q. When did Caterpillar decide to stop reimbursing
5 for flywheel house and flywheel house bolt
6 repairs on Trans-Spec trucks?

7 A. From my discussions with the people I named
8 earlier, I'm of the understanding that it was
9 mid 2003.

10 Q. What is Caterpillar Extended Service Coverage
11 Plus?

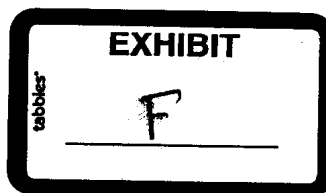
12 A. Extended Service Coverage Plus is a coverage
13 program that is a purchased program that covers
14 specific components for defects in Caterpillar
15 material and workmanship for a specific amount
16 of time as noted on the contract.

17 Q. What entity offered Trans-Spec the extended
18 service coverage?

19 A. Who offered them this extended service
20 coverage?

21 Q. Yes.

22 A. I'm not sure if it was the Caterpillar -- I
23 don't -- I don't know exactly who offered it to



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1 A. No, I did not.

2 Q. You didn't do any research into that area to
3 prepare for this 30(b)(6) deposition, did you?

4 MR. GRUNERT: No, because it was beyond
5 the scope of the notice.

6 BY MR. SAMITO:

7 Q. Do you know why Caterpillar decided to stop
8 reimbursing for flywheel housing and flywheel
9 housing bolts failures on Trans-Spec's C-12s?

10 A. In my discussion with Rob Smith and Brad
11 Bowdoin, I understand that they made the
12 decision that these repairs should no longer be
13 covered.

14 Q. Why?

15 A. Because they felt it was not a failure in CAT
16 material or workmanship, it was not a defect of
17 the Caterpillar material or workmanship.

18 Q. Who did they consult with when they came to
19 that decision?

20 A. I understand that that information was
21 communicated back to the CAT dealer.

22 Q. I'm asking who did they communicate with when
23 they made the decision? Did they speak with

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1 any Caterpillar engineers? Did they speak with
2 a 6 Sigma team? Did they make this decision on
3 their own?

4 A. I understood product health was involved, Brad
5 Bowdoin. I do not know specifically who else
6 he worked with in making that determination.

7 Q. What were the communications that they had with
8 Brad Bowdoin?

9 A. I understand that they reviewed the detail with
10 Brad, shared technical information with him,
11 shared the service history with him.

12 Q. Who is Brad Bowdoin?

13 A. At that time he was a product health -- product
14 health engineer. I'm not specific on his job
15 title.

16 Q. Was he an engineer?

17 A. I do not know if engineer was in his title.

18 Q. Do you know if he even has an engineering
19 degree?

20 A. I do not know if he has an engineering degree.

21 Q. Has he ever served as an engineer?

22 A. I'm not exactly clear if he's an engineer or if
23 he did engineering functions. He was in

| | |
|--|--|
| <p style="text-align: right;">Page 54</p> <p>1 product health.</p> <p>2 Q. Are either of the two gentlemen who made the</p> <p>3 decision to stop reimbursing for Trans-Spec's</p> <p>4 problems, are either of them engineers?</p> <p>5 A. I do not know.</p> <p>6 Q. Is there any documents that were looked at when</p> <p>7 Caterpillar made this decision to stop</p> <p>8 reimbursing for Trans-Spec's --</p> <p>9 A. I am not aware of what documentation was</p> <p>10 provided between the district office and</p> <p>11 product health.</p> <p>12 Q. Did you ask in preparation for this Rule</p> <p>13 30(b)(6) deposition?</p> <p>14 A. I'm not -- I don't recall exactly if they</p> <p>15 looked at iron, I do know they looked at repair</p> <p>16 history.</p> <p>17 Q. Was the decision to stop reimbursement for</p> <p>18 Trans-Spec's flywheel housing and flywheel bolt</p> <p>19 failures on C-12 engine a specific decision as</p> <p>20 to Trans-Spec or was it part of a larger</p> <p>21 Caterpillar policy on this issue?</p> <p>22 A. I understand from visiting with Brad Bowdoin</p> <p>23 and Rob Smith that the conditions surrounding</p> | <p style="text-align: right;">Page 56</p> <p>1 6 Sigma team for guidance on this issue?</p> <p>2 A. Who are you referring to as anyone?</p> <p>3 Q. Anyone from the warranty claims department.</p> <p>4 A. I'm not aware of anyone within the warranty</p> <p>5 department who contacted the 6 Sigma team.</p> <p>6 What -- what date are you --</p> <p>7 Q. At any time regarding Trans-Spec's flywheel</p> <p>8 housing or flywheel housing bolt failures.</p> <p>9 A. I'm not aware of any direct conversation</p> <p>10 regarding Trans-Spec and flywheel housing</p> <p>11 failures and the 6 Sigma team.</p> <p>12 Q. Can you give me the positions of the two</p> <p>13 gentlemen who decided to stop reimbursing for</p> <p>14 Trans-Spec's flywheel housing and flywheel</p> <p>15 housing bolt failures?</p> <p>16 A. Brad Bowdoin, he was in product health. I'm</p> <p>17 not sure what his specific title was at the</p> <p>18 time.</p> <p>19 Q. And who was the other person?</p> <p>20 A. I believe he was the primary person that was</p> <p>21 involved. I do not know who else he'd involved</p> <p>22 in making that decision other than the field</p> <p>23 rep was Rob Smith.</p> |
| <p style="text-align: right;">Page 55</p> <p>1 the units of Trans-Spec were such that they</p> <p>2 determined that it was not a CAT defect in</p> <p>3 material and workmanship.</p> <p>4 Q. How did they come to that determination?</p> <p>5 A. Through the discussion of the application the</p> <p>6 unit was in. I don't know all the details that</p> <p>7 were shared between them.</p> <p>8 Q. Did you --</p> <p>9 A. But they also looked at the history of the C-12</p> <p>10 in general and that particular failure and</p> <p>11 determined that this was not a problem.</p> <p>12 Q. Was any engineer involved in making that</p> <p>13 determination?</p> <p>14 A. I cannot say. I do not know.</p> <p>15 Q. Was any engineer report involved in making that</p> <p>16 determination?</p> <p>17 A. I do not know.</p> <p>18 Q. Was any 6 Sigma team involved in making that</p> <p>19 determination?</p> <p>20 A. I understand there was a 6 Sigma team. I do</p> <p>21 not recall when it was chartered or when it was</p> <p>22 completed.</p> <p>23 Q. Do you know if anyone contacted anybody in that</p> | <p style="text-align: right;">Page 57</p> <p>1 Q. Where was Rob Smith located?</p> <p>2 A. I'm not exactly sure which city he lived in at</p> <p>3 the time. He was the rep in the northeast at</p> <p>4 that time.</p> <p>5 Q. Was he in the Connecticut office?</p> <p>6 A. I do not know which office he was located in.</p> <p>7 Q. Who is Michael Powers?</p> <p>8 A. At that time he was the regional manager of the</p> <p>9 northeast district.</p> <p>10 Q. Was he involved in this decision as well?</p> <p>11 A. I understand he was involved.</p> <p>12 Q. How was he involved?</p> <p>13 A. I understood he -- he spoke with Louis Vachon</p> <p>14 regarding the details of the matter. And</p> <p>15 confirmed with Louis that it was not a</p> <p>16 Caterpillar problem.</p> <p>17 Q. Who is Louis Vachon?</p> <p>18 A. At that time he was the supervisor of the truck</p> <p>19 engine call center.</p> <p>20 Q. Was Mr. Vachon an engineer?</p> <p>21 A. I do not know.</p> <p>22 Q. Did Mr. Vachon speak with any 6 Sigma team in</p> <p>23 coming up with this decision?</p> |

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1 A. I do not know who Louis may or may not have
 2 spoken to.
 3 Q. Who else may have been contacted as part of the
 4 decision making process to stop reimbursing for
 5 Trans-Spec flywheel housing failures and
 6 flywheel housing bolt failures?
 7 A. I'm not sure who else was contacted.
 8 Q. Were there any documents on this issue?
 9 A. I am not aware of any document specific to
 10 Trans-Spec.
 11 Q. Any e-mails on this issue?
 12 A. I'm not aware of any e-mails specific to
 13 Trans-Spec.
 14 Q. Who was the specific person who made the
 15 decision to stop reimbursing Trans-Spec for
 16 flywheel housing and flywheel housing bolt
 17 failures?
 18 MR. GRUNERT: I'll object to the form.
 19 A. I'm not exactly sure if there was one person
 20 specifically involved. I know Brad Bowdoin had
 21 significant input into the decision.
 22 Q. But there's not one person that you can point
 23 to as having the authority to make this

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1 decision?
 2 MR. GRUNERT: Object to the form.
 3 A. I cannot say that one person made this
 4 decision.
 5 Q. So if I asked you who made the decision --
 6 A. I know Brad Bowdoin was significantly involved
 7 in making the decision.
 8 Q. Did they make any determination that it was a
 9 Sterling problem.
 10 A. I do not know if they determined what the root
 11 cause of the problem was.
 12 Q. Why did Caterpillar decide to stop providing
 13 reimbursement?
 14 A. Caterpillar determined that it was not a defect
 15 in material or workmanship.
 16 Q. How did they determine that?
 17 A. Based on the information that was provided from
 18 the field from the dealer and looking at the
 19 information on all C-12s in the field.
 20 Q. Who provided the information? You referred to
 21 the dealer in the field. Who --
 22 A. I'm not sure who specifically provided it. I
 23 don't know if it was Al Cardoza specifically.

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1 That's the name I've heard has been involved
 2 but I don't know if he was the only one who
 3 provided information.
 4 Q. Did anyone ever contact you or anyone else at
 5 Caterpillar to inquire about the denial of
 6 reimbursement?
 7 A. I was never contacted regarding the denial of
 8 claims for Trans-Spec for flywheel housing --
 9 Q. Was any --
 10 A. -- repairs.
 11 Q. -- one else at Caterpillar contacted?
 12 A. Was anyone else at CAT contacted for --
 13 Q. About Trans-Spec's problem either by Trans-Spec
 14 or someone calling on Trans-Spec's behalf or
 15 communicating on Trans-Spec's behalf via e-mail
 16 or fax or letter, phone call?
 17 A. I do not know. I stated what my understanding
 18 is of Rob Smith's involvement, Mike Powers and
 19 to a limited degree Al Cardoza. I'm not aware
 20 of any other communication.
 21 Q. Do you know how the decision was communicated
 22 to Trans-Spec?
 23 A. I am not aware of how that was done.

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1 A. It was \$2,389.73.

2 Q. And that included the cost of a new flywheel
3 house?

4 A. Yes.

5 Q. What else did it include?

6 A. Pipe plug, washer, cap, bolt, dowel and the
7 flywheel housing.

8 Q. And then you said a number of repairs were
9 reimbursed under good will. Why was this one
10 specifically reimbursed under ESC?

11 A. The claim was filed as a flywheel housing
12 failure and the analyst understood that the
13 flywheel was a covered component and paid for
14 it as such.

15 Q. What about the decision in 2003 to stop
16 reimbursing on Trans-Spec's flywheel housing
17 failures?

18 A. I found no evidence that our group was informed
19 of that decision.

20 Q. The warranty claim division never even knew
21 that Caterpillar had stopped reimbursing
22 Trans-Spec for the flywheel housing failures?

23 A. No, we were not made aware of that decision.